✅ **Latest release**

Household Expenditure Survey, Australia: Summary of Results methodology

Reference period 2015-16 financial year

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Explanatory notes

Introduction

1 This publication presents a summary of the findings from the 2015-16 Household Expenditure Survey (HES). The HES collects detailed information about household expenditure and is collected jointly with the Survey of Income and Housing (SIH), which collects data about household income, assets, liabilities and other household characteristics, such as tenure type.

2 This publication presents a broad overview of the 2015-16 HES, highlighting differing household expenditure patterns and levels revealed, in the context of various other characteristics (e.g. income levels and sources, geographic location and family composition of the household).

3 The Household Expenditure Survey and Survey of Income and Housing User Guide, Australia, 2015-16 (cat. no. 6503.0) (the "User Guide") is expected to be released in October 2017. This publication will assist users in evaluating and interpreting results from the 2015-16 HES and SIH.

4 Previous Household Expenditure Surveys were conducted by the Australian Bureau of Statistics (ABS) in 1974-75, 1975-76, 1984, 1988-89, 1993-94, 1998-99, 2003-04 and 2009-10, however, current results are only comparable back to 1984. The 2015-16 HES collected information from a sample of 10,046 households over the period July 2015 to June 2016. The HES is currently conducted every six years.

5 The 2015-16 HES included an additional sample of metropolitan households whose main source of income was a government pension, benefit and/or allowance, as did the last HES in 2009-10. These pensioner households are included in the final SIH and HES samples. This additional sample supports the production of the Pensioner and Beneficiary Living Cost Index (PBLCI) (see cat. no. 6466.0).

Changes in this issue

6 Key changes to the 2015-16 compared with the 2009-10 HES include:

- Australian Statistical Geography Standard (ASGS) 2011 has been used throughout the survey for sample selection, weighting and output. At the sub-state level, this required a break in the time series, with 2015–16 survey including Greater Capital City Statistical Area. HES 2009-10 used the Australian Standard Geographical Classification (ASGC);

- a small number of changes to some Household Expenditure Classification (HEC) categories, particularly to address emerging technologies and industries between the survey cycles. Estimates for previous cycles have been recompiled to reflect these changes at the broad expenditure level;

- screening procedures and the screening questionnaire used to identify the additional pensioner sample were revised to reduce the amount of screening required. Instead, one in four screened households completed the HES even where the screening outcome was negative, in order to collect information about the screening effectiveness, which was used to adjust weighting;

- the processing of government payments information from the SIH has been improved by the introduction of an eligibility-based model. Missing or anomalous government payments values are now produced by the model;

- an index of service accessibility has been added to the survey data. The Metropolitan Accessibility/Remoteness Index of Australia (Metro ARIA) enables analysis of expenditure in relation to accessibility of services for metropolitan areas

- an expanded range of detailed tables are included in an Excel datacube on the website, including detailed expenditure estimates on over 600 HEC categories for selected populations in this publication, plus additional populations available from the survey; and

- no paper publication (.pdf) is available this cycle.

7 The commodity codes for the Household Expenditure Classification (HEC) are largely the same as in 2009-10 with a small number of changes, particularly to address emerging technologies and industries between the survey cycles. Estimates for previous cycles have been recompiled to reflect these changes at a broad expenditure level. The list of commodity codes for 2015-16 HES will be released in the User Guide (cat. no. 6503.0) which is expected to be released in October 2017. The expenditure estimates have also been derived for the Classification of Individual Consumption by Purpose (COICOP). The total expenditure estimates differ between the two classifications due to scope differences, in particular the COICOP includes estimates of imputed rent which are out of scope for the HEC.

Confidentiality

8 To protect the confidentiality of individuals, a technique called perturbation is used to randomly adjust cell values. Perturbation involves small random adjustment of the statistics and is considered the most satisfactory technique for avoiding the release of identifiable statistics while maximising the range of information that can be released. These adjustments have a negligible impact on the underlying pattern of the statistics.

9 After perturbation, a given published cell value will generally be consistent across all tables. However, adding up cell values to derive a total will not necessarily give the same result as published totals.

10 The introduction of perturbation in publications ensures that these statistics are consistent with statistics released via services such as Table Builder.

Concepts and definitions

11 The concepts and definitions relating to income, expenditure, net worth and households are described in the following section. Other definitions are included in the Glossary and more detail will be forthcoming in the User Guide.

Household data

12 The household is the basic unit of analysis in the HES. It is defined as a group of related or unrelated people who usually live in the same dwelling and make common provision for food and other essentials of living; or a lone person who makes provision for his or her own food and other essentials of living without combining with any other

person.

13 Households therefore have the following characteristics:

- they may consist of one or more person(s) or groups of persons such as families; and
- they must live wholly within one physical dwelling. A group of people who make common provision for living essentials but are living in two separate dwellings are considered to be two separate households.

14 The household is adopted as the basic unit of analysis because it is assumed that sharing of the use of goods and services occurs at this level. If smaller units, say persons, are adopted, then it is difficult to know how to attribute to individual household members the use of shared items such as food, accommodation and household goods.

Expenditure

15 The HES aggregate estimates of expenditure on goods and services refer to:

- the cost of acquiring goods and services - the cost of those goods and services acquired during the reference period regardless of whether the household paid for or consumed them during the period;
- the cost of goods and services used for private purposes - costs associated with investments and business were excluded from estimates of expenditure;
- net or out-of-pocket expenditure - refunds and reimbursements (such as Medicare refunds, factory rebates, trade-ins and reimbursements from employers) were deducted from expenditure;
- expenditure during and prior to the 2015-16 financial year - most types of expenditure relate to purchases recorded in a fortnightly diary at some point within the 2015-16 financial year but less frequent and often large expenditures were collected on a 'recall' basis. For those items, households were asked to recall expenditures over a period which may have extended back before 2015-16, ranging from the last payment made (e.g. for utilities bills) to any purchase made in the last three years (e.g. for house purchases); and
- some expenditure in-kind items provided free or at a reduced cost by employers to employees for their own private use or withdrawn from own business for household consumption are regarded as expenditure in-kind.

16 Estimates of selected other payments (income tax, mortgage repayments (selected dwelling) and superannuation and life insurance) are also provided.

17 Estimates of average weekly expenditure do not refer to a given week. Average weekly expenditure was calculated by dividing expenditure by the number of weeks in the recall period or reporting period over which it was collected.

Income

18 Household expenditure is compared to household income to help explain variations in expenditure levels and patterns and to identify groups of special interest (e.g. households with low incomes).

19 Household income consists of all current receipts, whether monetary or in kind, that are received by the household or by individual members of the household, and which are available for, or intended to support, current consumption.

20 Income includes receipts from:

- employee income (whether from an employer or own incorporated enterprise), including wages and salaries, salary sacrificed income, non-cash benefits, bonuses and termination payments;
- government pensions and allowances;
- profit/loss from own unincorporated business (including partnerships);

- net investment income (interest, rent, dividends, royalties); and
- private transfers (e.g. superannuation, workers' compensation, income from annuities, child support, and financial support received from family members not living in the same household).

21 Receipts of Family Tax Benefit are treated as income, regardless of whether they are received fortnightly or as a lump sum.

22 The Newborn Supplement and Newborn Upfront Payment replaced the Baby Bonus on 1 March 2014 and those eligible receive it as part of their Family Tax Benefit Part A payments for a period of 13 weeks or with their lump sum. The Paid Parental Leave payment has also been included as income.

23 The Energy Supplement is included in income from government pensions or allowances. This tax-exempt, indexed payment is paid to pensioners, other income support recipients, families receiving Family Tax Benefit payments and Commonwealth Seniors Health Card holders, provided they meet eligibility requirements.

24 The twice-yearly Schoolkids bonus payment that was paid to eligible families, carers and students from January 2013 to July 2016 has been included in income from government pensions and allowances. This payment, paid in January and July, was made payable to families receiving Family Tax Benefit Part A. Young people enrolled in school who were receiving Youth Allowance and other specific income support or receiving an education allowance from Department of Veteran's Affairs are also entitled to this payment, providing that they meet the age and education requirements.

Income measures

25 In 2007–08, the ABS revised its standards for household income statistics following the adoption of new international standards in 2004 and review of aspects of the collection and dissemination of income data. The income estimates from 2007–08 onwards apply the new income standards, and are not directly comparable with estimates for previous cycles. The change in income level in 2007–08 is partly due to the change in methods but also partly due to real change in income. To the extent possible, the estimates for 2003–04 and 2005–06 shown in the time series tables also reflect the new treatments.

26 For more detail on the nature and impact of the changes on the income data see Appendix 4 of Household Income and Income Distribution, Australia, 2007-08 (cat. no. 6523.0).

Equivalised disposable income

27 Most analyses in this publication use equivalised disposable household income rather than gross or disposable income. Using an equivalising factor for household income enables the direct comparison of the relative economic wellbeing of households of different size and composition.

28 Equivalised disposable household income is calculated by adjusting disposable income by the application of an equivalence scale. The scale is based on the principle that larger households require a higher level of income to achieve the same standard of living as a smaller household. However, there are economies of scale, so each additional person does not equally add to the income needed to support household consumption.

29 Whereas disposable income includes negative values, these are adjusted to zero for the purpose of equivalised disposable household income.

30 After household income is adjusted according to an equivalence scale, the equivalised income can be viewed as an indicator of the economic resources available to a standardised household. For a lone person household, it is equal to income received. For a household comprising more than one person, equivalised income is an indicator of the household income that would be required by a lone person household in order to enjoy the same level of economic wellbeing as the household in question.

31 For more information on equivalised income, see the User Guide.

Lowest income decile

32 Throughout the next few paragraphs, the terms quintile, decile and percentile are used. If a distribution, such as household income, is put in order from lowest to highest, and then divided into 100 equal groups, each group is a percentile. Ten percentiles make up a decile (ten equal groups) and twenty percentiles make up a quintile.

33 Equivalised income generally provides a useful indicator of economic wellbeing. However, some households report extremely low and even negative income in the survey, which places them well below the safety net of income support provided by government pensions and allowances. Households may under report their incomes in the survey at all income levels, including low income households. Households may also correctly report low levels of income if they have incurred losses in their unincorporated business or have negative returns from other investments.

34 Studies of income and expenditure reported in HES surveys have shown that such households in the bottom income decile and with negative gross incomes tend to have expenditure levels that are comparable to those of households with higher income levels (and slightly above the average expenditures recorded for the fifth income decile). This suggests that these households have access to economic resources such as wealth, or that the instance of low or negative income is temporary, perhaps reflecting business or investment start up. Other households in the lowest income decile in past surveys had average incomes at about the level of the single pension rate, were predominantly single person households, and their main source of income was largely government pensions and allowances. However, on average, these households also had expenditures above the average of the households in the second income decile, which is not inconsistent with the use of assets to maintain a higher standard of living than implied by their incomes alone.

35 Other households in the lowest income decile in past surveys:

- had average incomes at about the level of the single pension rate;
- were predominantly single person households; and
- their main source of income was largely government pensions and allowances.

However, on average, these households also had expenditures above the average of the households in the second income decile, which may be because these households are using assets to maintain a higher standard of living than their income alone could allow.

36 Some of the households included in the lowest income decile are unlikely to be suffering extremely low levels of economic wellbeing. Income distribution analysis may lead to inappropriate conclusions if such households are used as the basis for assessing low levels of economic wellbeing.

37 For this reason, in previous surveys, tables showing statistics classified by income quintiles included a supplementary category comprising the second and third income deciles, which were used as an alternative to the lowest income quintile.

38 More recent analysis suggests that this approach may have over-estimated the economic wellbeing of low income households, and unnecessarily excluded some of the most vulnerable households in the lowest income decile. The 2015–16 SIH uses an adjusted lowest income quintile instead, which is made up of the lowest two deciles, excluding the first and second percentiles. This adjusted lowest income quintile has been calculated for previous cycles to create a time series of these data, available from the Data downloads section of this publication.

Net worth

39 Net worth, often referred to as wealth, is the value of a household's assets less the value of its liabilities. Assets can take many forms including:

- produced tangible fixed assets that are used repeatedly and for more than one year, such as dwellings and their contents, vehicles, and machinery and equipment used in businesses owned by households;
- intangible fixed assets such as computer software and artistic originals;
- business inventories of goods;
- non-produced assets such as land; and
- financial assets such as bank deposits, shares, superannuation account balances, and the outstanding value of loans made to other households or businesses.

40 Liabilities are primarily the value of loans outstanding including:

- credit card debt;
- mortgages;
- investment loans;
- borrowings from other households; and
- debt on other loans such as personal loans to purchase vehicles, and study loans.

41 In the 2015-16 HES, some asset and liability data were collected on a net basis rather than collecting for each component listed above. In particular, if a survey respondent owned or part owned a business, they were asked how much they would receive if they sold their share of the business and paid off any outstanding debts.

42 While this publication provides some household net worth statistics, principally to aid expenditure analysis, a more comprehensive range of household asset and liability information will be released in Household Income and Wealth Distribution (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6523.0) (cat. no. 6523.0).

Difference between income and expenditure

43 The HES provides information about both the income and the expenditure of households, but it would be misleading to regard the difference between average weekly income and the sum of the items of average weekly expenditure as shown in the tables in this publication as a measure of savings.

44 First, to be properly understood, the concept of household saving needs to be articulated along with the concept of household wealth (assets and liabilities), and all forms of income and expenditure need to be measured and classified consistently with these concepts. The HES does not attempt to do this. It focuses on usual income being received at the time the data was collected; estimates of personal income tax; expenditure on current consumption of goods and services; and two major items of expenditure which can be regarded as investment ('mortgage repayments - principal (selected dwelling)' and 'superannuation and life insurance'). The two items of investment expenditure are included in the HES because they are a significant regular commitment of many households which have to be financed from income.

45 Second, there are significant timing differences between the different components of income and expenditure collected:

- expenditure does not cover all current payments because expenditure was collected on an acquisitions basis;
- expenditure does not cover a common reference period since expenditure estimates for different items refer to different periods; and

- income does not cover a common reference period since income estimates for different sources of income refer to different periods; for example, income from wages and salaries relates to usual pay in a pay period, while income from investment and own unincorporated business relates to income in a whole financial year.

46 HES income and expenditure estimates therefore do not balance for individual households or groups of households and the difference between income and expenditure cannot be considered to be a measure of saving.

Metropolitan Accessibility/Remoteness Index of Australia (Metro ARIA)

47 The Metropolitan Accessibility/Remoteness Index of Australia (Metro ARIA) is a geographic index which quantifies service accessibility within metropolitan areas. The index reflects the ease or difficulty people face accessing basic services within metropolitan areas, derived from the measurement of road distances people travel to reach different services, and covers five different service themes:

- education;
- health;
- shopping;
- public transport; and
- financial/postal services.

48 Metro ARIA covers 2011 Greater Capital City Statistical Area (GCCSA) by 2011 Statistical Area 1. Areas outside GCCSAs are defined as non-metropolitan. Non-metropolitan should not be interpreted as lower accessibility; it is simply that the region is located outside the capture area detailed Metro ARIA. Further information regarding Metro ARIA and maps can be found via the following link: https://aurin.org.au/ (https://aurin.org.au/)

Survey methodology

Scope and coverage

49 The survey collects information by personal interview from usual residents of private dwellings in urban and rural areas of Australia (excluding very remote areas), covering about 97% of the people living in Australia. Private dwellings are houses, flats, home units, caravans, garages, tents and other structures that were used as places of residence at the time of interview. Long-stay caravan parks are also included. These are distinct from non-private dwellings which include hotels, boarding schools, boarding houses and institutions. Residents of non-private dwellings are excluded.

50 Usual residents excludes:

- households which contain members of non-Australian defence forces stationed in Australia;
- households which contain diplomatic personnel of overseas governments; and
- households in collection districts defined as very remote or Indigenous Communities - this has only a minor impact on aggregate estimates except in the Northern Territory where such households account for about 22% of the population.

Data collection

51 Information for each household was collected using:

- a household level computer assisted interview questionnaire which collected information on household characteristics, expenditure common to all household members (e.g. utility bills), and irregular or infrequent expenditure (e.g. household appliances and holidays overseas);
- an individual level computer assisted interview questionnaire which collected information on income, non-cash

benefits, salary sacrifice expenditure and other personal characteristics from each usual resident aged 15 years and over; and

- a personal diary in which usual residents aged 15 years and over recorded their expenditure over two weeks.

Sample copies of the above documents are included in the User Guide (cat. no. 6503.0).

52 The simultaneous collection of information from the Survey of Income and Housing and the Household Expenditure Survey allows for expenditure to be placed in the context of the households' economic resources (income and wealth). Estimates of income, wealth and housing should be directed to the larger sample in the SIH (17,768 households). These estimates are drawn from the HES only where expenditure information is required.

Sample design

53 The sample was designed to produce reliable estimates for broad aggregates for households resident in private dwellings aggregated for Australia, for each state/territory and for capital cities and the rest of state in each state and territory (based on Greater Capital City Statistical Area). More detailed estimates should be used with caution, especially for Tasmania, the Northern Territory and the Australian Capital Territory.

54 The HES sample was designed in conjunction with the SIH. In the combined sample, some dwellings were selected to complete both the SIH questionnaire and the HES questionnaire, while other dwellings were selected to complete the SIH questionnaire only. Dwellings were selected through a stratified, multistage cluster design from the private dwelling framework of the ABS Population Survey Master Sample. Selections were distributed across a twelve month enumeration period so that the survey results are representative of income and expenditure patterns across the year.

55 For the 2015-16 HES there was an additional sample of households in Greater Capital City areas, designed to collect information specifically from households whose main source of income was government pensions, benefits and/or allowances. These households were enumerated using a separate sample design, and received the combined SIH and HES questionnaire.

56 In this additional sample, dwellings were targeted using information from the previous HES (2009-10), and information from the Socio-Economic Indexes for Areas (SEIFA). Households were screened using a short questionnaire to identify whether pensions and benefits were likely to be the main source of income for the household. 23,870 households were screened. One in four households were selected to complete the combined SIH and HES questionnaire and diaries regardless of the screening outcome. Information from this sample were used to assess the outcomes from the screening questionnaire for the whole sub-sample.

Non-responding households

57 Of the selected dwellings for HES there were 17,873 households in the scope of the survey. Of this initial sample, 2,579 dwellings (14%) were excluded as no contact was able to be made (e.g, vacant dwelling, holiday homes). A further 5,220 (29%) did not respond at all to the questionnaire, or did not respond adequately. Most of these were not able to take part in the survey during the collection period. The remainder were:

- households affected by death or illness of a household member; and
- households which did not respond because due to communication barriers or because they refused to participate (9.5% of all contacted households).

58 110 households were excluded because the main income earners in the household did not adequately respond to questions about income sources and amounts. 229 households that were collected as part of the HES sample but

did not have sufficient expenditure diary information were retained as part of the SIH sample. 74 households were retained after repair to an instrument error.

Partial response and imputation

59 237 partially responding households were retained in the final sample after full record imputation of person(s) in the household who were not the main income earners. For these households, any missing values were imputed by replacing each missing value with a value reported by another person (referred to as the donor).

60 Partial imputation is completed for all households with missing data items. Donor records are selected by finding fully responding persons with matching information on various characteristics (such as state, sex, age, labour force status and income) as the person with missing information. As far as possible, the imputed information is an appropriate proxy for the information that is missing. Depending on which values are to be imputed, donors are randomly chosen from the pool of individual records with complete information for the block of questions where the missing information occurs.

61 The final HES sample includes 3,487 households (35% of households) and 4,762 person records (25% of persons aged 15 years or over) which had at least one imputed value. 154 full records were imputed (0.5% of all HES person level records).

Final sample

62 Of the selected dwellings (15,294) that were contacted and in scope of the survey, 10,046 (66%) households were included as part of the final estimates.

63 Household Expenditure Survey, final sample, 2015-16

HES final sample, number of households, 2015-16

| | GREATER CAPITAL CITY | | REST OF STATE | | TOTAL | |
	Households	Persons (a)	Households	Persons (a)	Households	Persons (a)
	no.	no.	no.	no.	no.	no.
NSW	1 778	4 344	479	1 151	2 257	5 495
Vic.	2 004	4 761	386	866	2 390	5 627
Qld	1 050	2 491	439	1040	1 489	3 531
SA	1 044	2 332	254	537	1 297	2 869
WA	1 002	2 365	216	543	1 215	2 908
Tas.	557	1 242	204	428	763	1 670
NT	259	603	81	189	337	792
ACT	293	734	-	-	295	734
Aust.	7 987	18 872	2 059	4 754	10 046	23 626

- nil or rounded to zero (including null cells)
a. Number of persons aged 15 years and over

64 The HES sample is not evenly balanced over the course of the year. Due to under-performance of the sample design in the first half of the collection year, a top-up sample was selected and collected from January - July 2016. The fully responding households by quarter are provided in the table below.

65 Weights adjust by quarter to ensure representativeness across the year.

Balance of fully responding households, 2015-16 collection year

	July-December 2015	January-July 2016	Full Collection Period	July-December 2015	January-July 2016	Full Collection Period
	no.	no.	no.	%	%	%
NSW	893	1 364	2 257	39.6	60.4	100.0
Vic.	980	1 410	2 390	41.0	59.0	100.0
Qld	567	922	1 489	38.1	61.9	100.0
SA	548	750	1 298	42.2	57.8	100.0
WA	470	748	1 218	38.6	61.4	100.0
Tas.	333	428	761	43.8	56.2	100.0
NT	154	186	340	45.3	54.7	100.0
ACT	119	174	293	40.6	59.4	100.0
Aust.	4 064	5 982	10 046	40.5	59.5	100.0

Weighting

66 Weighting is the process of adjusting results from a sample survey to infer results for the total in scope population whether that be persons or households. To do this, a weight is allocated to each sample unit i.e. a person or a household. The weight is a value which indicates how many population units are represented by the sample unit. The first step in calculating weights for each unit is to assign an initial weight, which is the inverse of the probability of being selected in the survey. For example, if the probability of a household being selected in the survey was 1 in 600, then the household would have an initial weight of 600 (that is, it represents 600 households).

67 The initial weights are then calibrated to align with independent estimates of the population of interest, referred to as benchmarks. Weights calibrated against population benchmarks.

68 In the 2009-10 and 2015–16 HES, all persons in each household were assigned a weight. The final SIH weights were used as the initial weights for the HES, with a sub-sampling adjustment being applied to incorporate the additional pensioner sample. This differs from the method used in 2009-10, where the base HES and additional pensioner samples were combined using composite estimation after weighting each component separately.

69 The HES survey was benchmarked to the in scope estimated resident population (ERP) and the estimated numb[er] of households in the population, and to a number of estimates produced from the SIH and the Monthly Population Survey. ERP benchmarks were preliminary, based on the 2011 Census. An additional benchmark using administrative payment data was applied for households that received government payments.

70 The population benchmarks used in the calibration of the final weights for the 2015-16 HES were:

- number of persons -
  - by state or territory by age by sex;
    - five year age groups up to 80+ years for NSW, Vic., Qld., SA and WA;
    - ten year age groups up to 70+ years for the Tas., NT and ACT;
  - by state or the ACT by labour force status ('Employed', 'Unemployed' and 'Not in the labour force'); and
- number of households -
  - by state, by pension indexation quarter, by greater capital city area/balance of state (excluding NT and the ACT which only use state);
  - by state, by household composition (number of adults (1,2 or 3+) and whether or not the household contains children; excluding the NT which uses only number of adults of 1+).

71 In addition to the population benchmarks presented above, the following SIH estimates were used as benchmarks at the state level in weighting the HES sample:

- total weekly household income from all sources;

- total weekly household income from own unincorporated business;
- total weekly household income from wages and salaries;
- total weekly household income from government pensions and allowances; and
- household tenure type.

72 The independent person and household benchmarks are based on demography estimates of numbers of persons and households in Australia, except for the labour force benchmarks which are based on the Monthly Population Survey. The benchmarks are adjusted to include persons and households residing in private dwellings only and to exclude persons living in very remote areas, and therefore do not, and are not intended to, match estimates of the Australian resident population published in other ABS publications.

73 Composite estimation was used to obtain the optimal proportions for combining the targeted sample and main HES sample of pensioner households at a state level.

74 Although the HES and the SIH are integrated, the estimates for common items published in both this publication and the SIH publication Household Income and Wealth, Australia, 2015-16 (cat. no. 6523.0) are unlikely to have exactly the same values, unless calibrated between the surveys. All estimates in this publication are taken from the HES subsample (except in the feature article which includes some SIH estimates). They are therefore subject to greater sampling variability than the full SIH estimates, but have been included here for comparisons with the expenditure data items.

Estimation

75 Estimates produced from the survey are usually in the form of averages (e.g. average weekly household expenditure on clothing and footwear), or counts (e.g. total number of households that own their dwelling). For counts of households, the estimate was obtained by summing the weights for the responding households in the required group (e.g. those households that own their dwelling).

76 Averages are obtained by adding the weighted household values, and then dividing by the estimated number of households. For example, average weekly expenditure on clothing and footwear by Victorian households is the weighted sum of the average weekly expenditure of each selected household in Victoria who reported such expenditure, divided by the estimated number of households in Victoria. Note that the denominator is the total number of households and not just the number of households which reported expenditure on a particular item.

Reliability of estimates

77 The estimates provided in this publication are subject to two types of error, non-sampling and sampling error.

Non-sampling error

78 Non-sampling error can occur in any collection, whether the estimates are derived from a sample or from a complete collection such as a census. Sources of non-sampling error include non-response, errors in reporting by respondents or recording of answers by interviewers, and errors in coding and processing the data.

79 Non-sampling errors are difficult to quantify in any collection. However, every effort is made to reduce non-sampling error to a minimum by careful design and testing of the questionnaire, training of interviewers and data entry staff, and extensive editing and quality control procedures at all stages of data processing.

80 One of the main sources of non-sampling error is non-response by persons selected in the survey. Non-response occurs when people cannot or will not cooperate or cannot be contacted. Non-response can affect the reliability of

results and can introduce a bias. The magnitude of any bias depends upon the level of non-response and the extent of the difference between the characteristics of those people who responded to the survey and those who did not.

81 The following methods were adopted to reduce the level and impact of non-response:

- Primary Approach Letters (PALs) were posted to selected SIH and HES households prior to enumeration;
- document cards were provided to respondents to suggest having financial statements and similar documents handy at the time of interview to assist with accurate responses;
- face-to-face interviews with respondents;
- the use of interviewers who could speak languages other than English, where necessary;
- proxy interviews conducted when consent is given, with a responsible person answering on behalf of a respondent incapable of doing so themselves;
- follow-up of respondents if there was initially no response;
- imputation of missing values;
- ensuring that the weighted data is representative of the population (in terms of demographic characteristics) by aligning the estimates with population benchmarks; and
- ensuring that the HES weighted data is consistent with the larger SIH sample by aligning the key HES income estimates with key SIH estimates.

Sampling error

82 The estimates are based on a sample of possible observations and are subject to sampling variability. The estimates may therefore differ from the figures that would have been produced if information had been collected for all households. A measure of the sampling error for a given estimate is provided by the standard error, which may be expressed as a percentage of the estimate (relative standard error). Further information on sampling error is given in the User Guide.

Acknowledgement

83 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the Census and Statistics Act 1905.

Special data services

84 The ABS offers specialist consultancy services to assist clients with more complex statistical information needs. Clients may wish to have the unit record data analysed according to their own needs, or require tailored tables incorporating data items and populations as requested by them. Tables and other analytical outputs can be made available electronically or in printed form. However, as the level of detail or disaggregation increases with detailed requests, the number of contributors to data cells decreases. This may result in some requested information not being able to be released due to confidentiality or sampling variability constraints. All specialist consultancy services attract a service charge, and clients will be provided with a quote before information is supplied.

85 If the information you require is not available from the publication or the data cubes, please contact the National Information and Referral Service (NIRS) on 1300 135 070 (international callers +61 2 9268 4909) or via email client.services@abs.gov.au. The NIRS can be contacted from anywhere in Australia between 8:30am and 5:00pm (AEST) Monday to Friday. The ABS Privacy Policy (www.abs.gov.au/privacy (https://www.abs.gov.au/privacy)) outlines how the ABS will handle any personal information that you provide to us.

Unit record file

86 A confidentialised unit record file (CURF) from the 2015-16 HES will be released on CD-ROM and through the ABS Remote Access Data Laboratory in late 2017. All clients wishing to access the HES 2015-16 CURF should refer to the How to Apply for Microdata (https://abs.gov.au/websitedbs/D3310114.nsf/home/How+to+Apply+for+Microdata) web page. Clients should familiarise themselves with the User Manual: Responsible Use of ABS CURFs (https://www.abs.gov.au/ausstats/abs@.nsf/mf/1406.0.55.003) and other related microdata information which are available via the Microdata web pages (https://abs.gov.au/websitedbs/D3310114.nsf/Home/Microdata+Entry+Page), before applying for access through MiCRO.

Australian universities

87 The ABS/Universities Australia Agreement provides participating universities with access to a range of ABS products and services. This includes access to CURF data. For further information, university clients should refer to the ABS/Universities Australia Agreement (https://www.abs.gov.au/websitedbs/D3310114.nsf/home/CURF:+ABS/Universities+Australia+CURF+Agreement?OpenDocument) web page.

Other clients

88 The Microdata Entry page (https://www.abs.gov.au/websitedbs/D3310114.nsf/89a5f3d8684682b6ca256de4002c809b/ea3125287ffe3a4cca257202007840b5!OpenDocument) on the ABS website contains links to microdata related information to assist users to understand and access microdata. For further information users should contact the microdata access team by email: microdata.access@abs.gov.au or telephone (02) 6252 7714.

User guide

89 The Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6503.0) (cat. no. 6503.0) includes information about the purpose of the survey, the concepts and contents, and the methods and procedures used to collect the data and derive the estimates. It also outlines the differences between the 2009–10 survey and earlier HES surveys. Its purpose is to help users of the data understand the nature of the survey, and its potential to meet user needs. It also contains information for users of the HES confidentialised unit record files (CURFs). The 2015–16 User Guide is expected to be released in October 2017.

Related publications

90 Users may also wish to refer to the following related ABS products:

Average Weekly Earnings, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0) (cat. no. 6302.0) - issued biannually

Government Benefits, Taxes and Household Income, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6537.0) (cat. no. 6537.0)

Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6503.0) (cat. no. 6503.0)

Household Income and Wealth, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6523.0) (cat. no. 6523.0)

Housing Occupancy and Costs (https://www.abs.gov.au/ausstats/abs@.nsf/mf/4130.0) (cat. no. 4130.0)

Labour Force, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0) (cat. no. 6202.0) - issued monthly

Microdata: Household Expenditure Survey and Survey of Income and Housing, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6540.0) (cat. no. 6540.0)

Microdata: Income and Housing, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6541.0.30.001) (cat. no. 6541.0.30.001)

Survey of Income and Housing, User Guide, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6553.0) (cat. no. 6553.0)

Glossary

Show all

Age

Person's age in years last birthday.

Age pension

Households that receive income from age pensions or Department of Veterans' Affairs (DVA) service pension, as well as additional cash allowances such as rent assistance. Age pensions are a component of social assistance benefits in cash.

Allocated pensions

Allocated pensions (also known as account-based pensions) are a regular income stream paid by superannuation funds. The value of the pension is calculated based on the amount of money accumulated in people's superannuation accounts and varies depending on the investment earnings of the fund.

Assets

An entity of a financial or non-financial nature, owned by the household or its members, and from which economic benefits may be derived by holding or use over a period of time.

Australian Statistical Geography Standard (ASGS)

The ASGS came into effect in July 2011 to replace the Australian Statistical Geographical Classification (ASGC). The ASGS provides a common framework of statistical geography used by the ABS to enable the publication of statistics that are comparable and spatially integrated. Its purpose is to outline the conceptual basis of Mesh Blocks, the regions of the main structure and the Greater Capital City Statistical Areas and their relationships to each other. For further information refer to Australian Statistical Geography Standard (ASGS): Volume 1 - Main Structure and Greater Capital City Statistical Areas, July 2011 (https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/1270.0.55.001Main+Features1July%202011?OpenDocument) (cat. no. 1270.0.55.001) and https://www.abs.gov.au/geography (https://www.abs.gov.au/geography) .

Australian Standard Geographical Classification (ASGC)

The ASGC was replaced by the Australian Statistical Geography Standard (ASGS) in July 2011. For further information refer to Australian Standard Geographical Classification (ASGC) (https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/1216.0Main+Features1July%202011?OpenDocument) (cat. no. 1216.0) and https://www.abs.gov.au/geography (https://www.abs.gov.au/geography) .

Average weekly expenditure

Value obtained by dividing the estimated weekly expenditure of a group of households by the estimated number of households in the group.

Balance of state

Feedback

Under the Australian Standard Geographical Classification (ASGC), Balance of State represents each state or territory not defined as Capital City. The ASGC has been replaced with Australian Statistical Geography Standard (ASGS), and areas outside Greater Capital City Statistical Areas are known as Rest of State. See definition of Rest of State.

Before and/or after school care

A type of formal child care provided for school aged children before and/or after school during the school term. Some services also provide care on 'pupil free days'. The services usually make use of established facilities such as schools, community halls, and recreation centres.

Broad expenditure group

The broadest level of the Household Expenditure Classification used in the 2015-16 publication. A list of the detailed expenditure items making up each broad expenditure group will be included in the 2015-16 User Guide.

Canadian National Occupancy Standard (CNOS) for housing appropriateness

A standard measure of housing utilisation that is sensitive to both household size and composition. Based on the following criteria used to assess bedroom requirements, households requiring at least one additional bedroom are considered to be overcrowded:

- there should be no more than two persons per bedroom;
- a household of one unattached individual may reasonably occupy a bed-sit (i.e. have no bedroom);
- couples and parents should have a separate bedroom;
- children less than five years of age, of different sexes, may reasonably share a room;
- children five years of age or over, of different sexes, should not share a bedroom;
- children less than 18 years of age and of the same sex may reasonably share a bedroom; and
- single household members aged 18 years or over should have a separate bedroom.

The CNOS variable on the file compares the number of bedrooms required with the actual number of bedrooms in the dwelling.

Capital city

Capital city under the Australian Standard Geographical Classification (ASGC) refers to Australia's six State capital city Statistical Divisions and the Darwin Statistical Division as defined in the Australian Standard Geographical Classification (ASGC) (https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/1216.0Main+Features1July%202011?OpenDocument) (cat. no. 1216.0). For the Australian Capital Territory the estimates relate predominantly to urban areas, and all of the Australian Capital Territory is defined as a capital city for this publication. Capital city estimates for the Northern Territory are not available on the CURF. The ASGC has been replaced with Australian Statistical Geography Standard (ASGS), see definition of Greater Capital City Statistical Area.

Classification of Individual Consumption According to Purpose (COICOP)

The international standard classification framework for classifying consumption expenditures on goods and services.

Consumer Price Index (CPI)

A general measure of price inflation for the household sector in Australia. Specifically, it provides a measure of changes, over time, in the cost of a constant basket of goods and services acquired by the capital city households in Australia.

Contents of dwelling

This is a non-financial asset and comprises an estimated value of household contents. Examples include: clothing,

jewellery, hobby collections, furniture, paintings and other works of art, soft furnishings and electrical appliances other than fixtures such as stoves and built-in items.

Cost of child care

The cost, gross of Child Care Benefit and the Child Care Rebate, to parents for a child to attend care. In most cases, where the Child Care Benefit was paid directly to the child care service provider, the cost of care was directly collected in the survey. In a small number of cases, where the Child Care Benefit was not paid directly to the provider, the Child Care Benefit was estimated.

Couple

See One family households.

Couple family with dependent children

See One family households.

Couple, one family household

A one family household consisting of:

- one couple only;
- one couple, with their dependent and/or non-dependent children only;
- one couple, with or without children, plus other relatives; and
- one couple, with or without children and other relatives, plus unrelated individuals.

Credit card debt

The amount owing on the respondent's latest credit card account statement (including any government, interest or financial institution charges). Includes amounts owing on specialised retail shopping cards as well as general credit cards such as Visa, Mastercard and store credit cards but excludes Visa and Mastercard debit only cards.

Current financial year income

Income earned in the period 1 July 2015 to 30 June 2016.

Deciles

Groupings that result from ranking all households or persons in the population in ascending order according to some characteristic such as their household income and then dividing the population into 10 equal groups, each comprising 10% of the estimated population.

Dependent children

All persons aged under 15 years; and persons aged 15–24 years who are full-time students, have a parent in the household and do not have a partner or child of their own in the household.

Diary

A notebook in which each person aged 15 years and over who was usually resident in the selected dwelling recorded his or her daily expenditure over two weeks.

Disability and carer payment

Households that receive income from Carer allowance, Carer payment, Disability Pension Department of Veterans' Affairs (DVA) or Disability Support Pension.

Disability support pension

Includes the Disability Support Pension, as well as additional cash allowances such as rent assistance. Disability support pension is a component of social assistance benefits in cash.

Disposable income

Gross income less income tax, the Medicare levy and the Medicare levy surcharge i.e. remaining income after taxes are deducted, which is available to support consumption and/or saving. Income tax, Medicare levy and the Medicare levy surcharge are imputed based on each person's income and other characteristics as reported in the survey. Disposable income is sometimes referred to as net income.

Dwelling

Defined as a suite of rooms contained within a building which are self-contained and intended for long-term residential use. To be self-contained the suite of rooms must possess cooking and bathing facilities as building fixtures. Examples of types of dwelling include: separate house; semi-detached, row or terrace house or townhouse; flat, unit, or apartment; and other dwelling, including caravan, cabin, houseboat, and house or flat attached to a shop.

Dwelling structure

The dwelling structure type is determined by the structure of the building that contains the dwelling. Households belong to one of four dwelling categories:

- separate house;
- semi-detached, row or terrace house or townhouse;
- flat, unit, or apartment; and
- other dwelling, including caravan or cabin in a caravan park, houseboat in a marina, caravan not in a caravan park, houseboat not in a marina and house or flat attached to a shop.

Employed

Persons aged 15 years and over who, during the week before the interview:

- worked one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (includes employees, employers and own account workers);
- worked one hour or more, without pay, in a family business or on a family farm; and
- had a job, business or farm but was not at work because of holidays, sickness or other reason.

Employee

An employed person who, for most of his/her working hours:

- works for a public or private employer and receives remuneration in wages or salary, or is paid a retainer fee by his/her employer and works on a commission basis, or works for an employer for tips, piece-rates or payment in kind; and
- operates their own incorporated enterprise with or without employees.

Employee income

An employee's total remuneration, whether monetary or in kind, received as a return to labour from an employer or from a person's own incorporated business. It comprises wages and salaries, bonuses, amounts salary sacrificed, non-cash benefits such as the use of motor vehicles and subsidised housing, and termination payments.

Employer

A person who operates his or her own unincorporated business or engages independently in a profession or trade, and hires one or more employees.

Equivalisation

Can be applied to disposable household income and net worth to create equivalised disposable household income, equivalised household net worth and equivalised disposable household expenditure. Adjustments are made using an equivalence scale. Equivalence measures are used in some analyses to enable comparison of the relative economic wellbeing of households of different size and composition. For a lone person household, the equivalised value is equal to the original value, or equal to zero if the original value was negative. For a household comprising more than one person, it is an indicator of the level that would be needed by a lone person household to enjoy the same level of economic wellbeing as the household in question.

For more information on the process of equivalisation, see the [Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6503.0)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6503.0) (cat. no. 6503.0).

Equivalising factor

A factor that can be used to adjust the actual incomes of households in a way that enables analysis of the relative wellbeing of households of different size and composition. The equivalising factor included on the file has been calculated using the 'modified OECD' equivalence scale. The factor is built up by allocating points to each person in a household. Taking the first adult in the household as having a weight of 1 point, each additional person who is 15 years or older is allocated 0.5 points, and each child under the age of 15 is allocated 0.3 points. The equivalence factor is the sum of the equivalence points allocated to the household members. Equivalised household income can be derived by dividing total household income by the equivalence factor.

Note that for large households, the equivalence factors included on the CURF file are based on the household size after it has been reduced to the maximum size allowable on each CURF.

Equivalised disposable household expenditure

Disposable household expenditure adjusted using an equivalence scale. For a lone person household it is equal to disposable household expenditure. For a household comprising more than one person, it is an indicator of the disposable household expenditure that would need to be received by a lone person household to enjoy the same level of economic wellbeing as the household in question.

Equivalised disposable household income

Disposable household income adjusted using an equivalence scale. For a lone person household it is equal to disposable household income. For a household comprising more than one person, it is an indicator of the disposable household income that would need to be received by a lone person household to enjoy the same level of economic wellbeing as the household in question.

Expenditure

The cost of goods and services acquired during the reference period for private use, whether or not the goods were paid for or consumed. Expenditure is net of refunds. For example, payments for health services are net of any refunds received or expected to be received. Expenditure is classified according to the Household Expenditure Classification which contains over 600 detailed items.

Family

Two or more people, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de

facto), adoption, step or fostering, and who usually live in the same household. A separate family is formed for each married couple, or for each set of parent-child relationships where only one parent is present.

Family composition of household

Classifies households into three broad groupings based on the number of families present (one family, multiple family and non-family). One family households are further disaggregated according to the type of family (such as couple family or one-parent family) and according to whether or not dependent children are present. Non-family households are disaggregated into lone person households and group households.

Family day care

A type of formal child care provided by experienced caregivers in their own homes, available for a full day or part day. Schemes are administered and supported by central coordination units.

Family support payments

Households that receive income from Baby Bonus, Paid Parental Leave, Dad and Partner Pay, Family Tax Benefits, Parenting Payments or Schoolkids bonus.

Family Tax Benefit (FTB)

Includes Family Tax Benefit (both Part A and Part B) payments received fortnightly, as well as additional cash allowances such as rent assistance. It also includes one-off payments to families.

Financial assets

An asset whose value arises not from its physical existence (as would a building, piece of land, or capital equipment) but from a contractual relationship. Financial assets are mostly financial claims (with the exception of shares and value of own unincorporated business). Financial claims entitle the owner to receive a payment, or a series of payments, from an institutional unit to which the owner has provided funds. Examples include accounts held with financial institutions (including offset accounts), ownership of an incorporated business, shares, debentures and bonds, trusts, superannuation funds, and loans to other persons.

Financial stress

A range of items which provide a subjective measure of the household's economic wellbeing. One person in each household was asked to provide assessments of the current household's circumstances. This person was randomly chosen from the reference person and spouse. Items include management of household income, present standard of living compared with two years ago, ability to raise emergency money, and a range of cash flow problems. For further information see the 2015-16 User Guide.

Flat, unit or apartment

Includes all self-contained dwellings in blocks of flats, units or apartments. These dwellings do not have their own private grounds and usually share a common entrance foyer or stairwell. This category includes houses converted into flats and flats attached to houses such as granny flats. A house with a granny flat attached is regarded as a separate house.

Formal child care

Regulated child care away from the child's home. The main types of formal care are before and/or after school care, long day care, family day care, occasional care and vacation care.

Full-time employed

Employed persons who usually work 35 hours or more a week (in all jobs).

Full-time student

A person 15 years or over who is classified as a full-time student by the institution they attend, or considers himself/herself to be a full-time student. Full-time study does not preclude employment.

Gini coefficient

A summary measure of inequality of income distribution. For more information see the 'Summary indicators of income distribution' section of [Household Income and Wealth, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6523.0)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6523.0) (cat. no. 6523.0).

Government pensions and allowances

Income support payments from government to persons under social security and related government programs. Included are pensions and allowances received by aged, disabled, unemployed and sick persons, families and children, veterans or their survivors, and study allowances for students. All overseas pensions and benefits are included here, although some may not be paid by overseas governments.

Gross imputed rent

The estimated market rent that a dwelling would attract if it were to be commercially rented.

Gross income

Income from all sources, whether monetary or in kind, before income tax, the Medicare levy and the Medicare levy surcharge are deducted.

Group household

See Non-family household.

Greater Capital City Statistical Area Structure

Greater Capital City Statistical Areas (GCCSAs) represent the socio-economic extent of each of the eight state and territory capital cities. They include the people who regularly socialise, shop or work within the city, but live in the small towns and rural areas surrounding the city.

Household

A person living alone or a group of related or unrelated people who usually live in the same private dwelling.

Household Expenditure Classification (HEC)

The expenditure classification used in the Household Expenditure Survey. In the 2015-16 survey it consists of over 600 items at the most detailed level. At the broadest level it consists of 20 broad expenditure groups. All broad groups are presented in this publication. A copy of the classification will be included in the 2015-16 User Guide.

Household questionnaire

Used to collect information on household characteristics, housing costs and household assets and liabilities.

Household reference person

The reference person for each household is chosen by applying, to all household members aged 15 years and over, the selection criteria below, in the order listed, until a single appropriate reference person is identified:

- the person with the highest tenure when ranked as follows: owner without a mortgage, owner with a mortgage, renter, other tenure;
- one of the partners in a registered or de facto marriage, with dependent children;
- one of the partners in a registered or de facto marriage, without dependent children;

- a lone parent with dependent children;
- the person with the highest income; and
- the eldest person.

Housing costs

Housing costs for the purposes of the publication [Housing Occupancy and Costs, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/4130.0)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/4130.0) (cat. no. 4130.0), comprise the following costs for the three different tenure type categories:

- rent payments;
- rates payments (general and water); and
- mortgage or unsecured loan payments if the initial purpose was primarily to buy, build, add to, or alter the dwelling.

Some additional items relating to housing costs are available to enable alternative estimates of housing costs to be constructed. See the User Guide (cat. no. 6503.0) for alternative measures of housing costs included on the files.

Housing costs as a proportion of income

The total weekly housing costs of a group (e.g. one parent households) are divided by the total weekly income of that group expressed as a percentage.

Imputed rent

See Net imputed rent and Gross imputed rent.

Income

Income consists of all current receipts, whether monetary or in kind, that are received by the household or by individual members of the household, and which are available for, or intended to support, current consumption. Income includes receipts from:

- wages and salaries and other receipts from employment (whether from an employer or own incorporated enterprise), including income provided as part of salary sacrificed and/or salary package arrangements;
- profit/loss from own unincorporated business (including partnerships);
- net investment income (interest, rent, dividends, royalties);
- government pensions and allowances (includes pensions and allowances from Commonwealth and State and Territory governments as well as pensions from overseas); and
- private transfers (e.g. superannuation, workers' compensation, income from annuities, child support, and financial support received from family members not living in the same household).

Gross income is the sum of the income from all these sources before income tax, the Medicare levy and the Medicare levy surcharge are deducted. Other measures of income are Disposable income and Equivalised disposable household income.

Note that child support and other transfers from other households are not deducted from the incomes of the households making the transfers.

Income tax

See Taxes on income.

Income unit

One person or a group of related persons within a household, whose command over income is assumed to be shared. Income sharing is assumed to take place within married (registered or de facto) couples, and between parents and dependent children.

Income unit reference person

The male partner in a couple income unit, the parent in a one parent income unit and the person in a one person income unit.

Individual questionnaire

Used to collect information from each person aged 15 years and over on individual details such as income, personal assets, education and labour force status.

Industry

Coded for all employed people aged 15 years and over, using the [Australian and New Zealand Standard Industrial Classification (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1292.0)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1292.0) (ANZSIC).

Informal child care

Non-regulated child care, arranged by a child's parent/guardian, either in the child's home or elsewhere. It comprises care by (step) brothers or sister, care by grandparents, care by other relatives (including a parent living elsewhere) and care by other (unrelated) people such as friends, neighbours, nannies or babysitters. It may be paid or unpaid.

Investment income

Income received as a result of ownership of assets. It comprises returns from financial assets (interest, dividends), and from non-financial assets (rent and royalties).

Labour force status

Classifies all people aged 15 years and over according to whether they were employed, unemployed or not in the labour force.

Landlord type

For renters, the type of entity to whom rent is paid or with whom the tenure contract or arrangement is made. Renters are classified to one of the following categories:

- state/territory housing authority-where the household pays rent to a state or territory housing authority or trust;
- private landlords-where the household pays rent to a real estate agent or to another person not in the same household;
- person in the same household-where the unit pays rent to a person who resides in the same household; and
- other-where the household pays rent to the owner/manager of a caravan park, an employer (including a government authority), a housing cooperative, a community or church group, or any other body not included elsewhere.

Liability

A liability is an obligation which requires one unit (the debtor) to make a payment or a series of payments to the other unit (the creditor) in certain circumstances specified in a contract between them.

Life tenure

A lease arrangement in which the tenant has the right to occupy the dwelling for an indefinite or unspecified period.

Loan

A form of liability that is created when creditors lend funds directly to debtors. Examples include an overdraft from a bank, money lent by a building society with a mortgage over a property as collateral, and personal loans.

Lone person household

See Non-family household.

Low economic resource household

People with low economic resources (i.e. low consumption possibilities) are those in households in the lowest two quintiles (i.e. 40%) of both equivalised disposable household income and equivalised household net worth.

Low income

Low income households are defined as households in the lowest equivalised disposable household income quintile, excluding the 1st and 2nd percentiles (i.e. the 3rd to 20th percentiles inclusive). The 1st and 2nd percentiles are excluded due to the high wealth and expenditure characteristics those household exhibit, and the prevalence of income types other than employee income and government pensions and allowances.

Lower income

Lower income households is a measure used in the publication Housing Occupancy and Costs, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/4130.0) (cat. no. 4130.0) that is defined as households in the lowest and second equivalised disposable household income quintiles, excluding the 1st and 2nd percentiles (i.e. the 3rd to 40th percentiles inclusive). The 1st and 2nd percentiles are excluded due to the high wealth and expenditure characteristics those household exhibit, and the prevalence of income types other than employee income and government pensions and allowances.

Main source of income

The income source from which the most positive income is received. If total income is nil or negative the main source is undefined. As there are several possible sources, the main source may account for less than 50% of gross income.

Mean expenditure

The total expenditure by a group of units divided by the number of units in the group. For more detail about household weighted and person weighted means, see the 'Explanatory Notes' section of this publication for more information.

Mean housing costs

The total weekly housing costs paid by a group of households (e.g. couple only households) divided by the number of households in that group.

Mean income

The total income received by a group of units divided by the number of units in the group. For more detail about household weighted and person weighted means, see the 'Summary indicators of income distribution' section of Household Income and Wealth, Australia (https://abs.gov.au/statistics/economy/finance/household-income-and-wealth-australia/2017-18) (cat. no. 6523.0).

Mean net worth

The total or aggregate net worth of a group of units, divided by the number of units in the group. In this publication, the most common unit is the household.

Median expenditure

That level of expenditure which divides the units in a group into two equal parts, one half having spending above the median and the other half spending below the median. For more detail about household weighted and person weighted medians, see the 'Explanatory Notes' section of this publication for more information.

Median income

That level of income which divides the units in a group into two equal parts, one half having incomes above the median and the other half having incomes below the median. For more detail about household weighted and person weighted medians, see the 'Summary indicators of income distribution' section of Household Income and Wealth, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6523.0) (cat. no. 6523.0).

Median net worth

That level of net worth which divides the units in a group into two equal parts, one half having net worth above the median and the other half having net worth below the median.

Median ratio of housing costs to income

The ratio of weekly housing costs to gross weekly income is calculated for each household. The median is the level of that ratio that divides a group of households into two equal parts, one half having the ratio above the median and the other half having the ratio below the median.

Medicare levy

Medicare is Australia's universal health care system. The Medicare levy is a specific tax, based on individual income, intended to assist in the funding of this system.

Medicare levy surcharge

The Medicare levy surcharge is a levy, or an additional tax, on Australian taxpayers who do not have an appropriate level of private hospital insurance and who are earning more than the specified income threshold.

Metropolitan Accessibility/Remoteness Index of Australia (Metro ARIA)

The Metropolitan Accessibility/Remoteness Index of Australia (Metro ARIA) is a geographic index of service accessibility in metropolitan areas developed by the Hugo Centre for Migration and Population Research, University of Adelaide (https://www.adelaide.edu.au/hugo-centre/) .The index reflects the ease or difficulty people face accessing basic services within metropolitan areas, derived from the measurement of road distances people travel to reach different services. Further information regarding Metro ARIA and maps can be found via the following link: http://aurin.org.au/ (http://aurin.org.au/)

Mortgage

A mortgage is a loan taken out using the usual residence as security. An owner with a mortgage must still owe money from such a loan.

Multiple family household

A household containing two or more families. Unrelated individuals may also be present.

Negative expenditure

Expenditure may be negative if a household's receipts for a good or service (e.g. refunds, trade-ins, sales or successful insurance claims), over a specific period, exceeds the cost of acquisitions. For example, if a household sold a car in the previous 12 months and did not buy a replacement car or they bought a less expensive car, this household would report negative expenditure on cars

Negative income

Income may be negative when a loss accrues to a household as an owner or partner in unincorporated businesses, rental properties or other investment income. Losses occur when operating expenses and depreciation are greater than gross receipts.

Negative net worth

Net worth may be negative when household liabilities exceed household assets.

Net imputed rent

Gross imputed rent less housing costs. Net imputed rent is an estimate of the value of housing services that households receive from home ownership or by households paying subsidised rent or occupying their dwelling rent free. Housing costs for the purpose of calculating net imputed rent for owner-occupiers comprise:

- rates payments (general and water);
- body corporate fees;
- the interest component of repayments of loans that were obtained for the purposes of purchasing or building;
- rent payments;
- house insurance costs; and
- repair and maintenance costs.

Net imputed rent from subsidised public rentals is included as a social transfer in kind for housing.

Net worth

Net worth is the value of a household's assets less the value of its liabilities. Net worth may be negative when household liabilities exceed household assets.

Non-dependent children

Persons aged 15 years and over who:

- do not have a spouse or offspring of their own in the household;
- have a parent in the household; and
- are not full-time students aged 15–24 years.

Non-family household

A household that consists of unrelated persons only. Non-family households are classified to one of the following categories:

- group household: a household consisting of two or more unrelated persons where all persons are aged 15 years and over. There are no reported couple relationships, parent-child relationships or other blood relationships in these households; and
- lone person household: a household consisting of a person living alone.

Non-financial assets

Non-financial assets are all assets other than financial assets. Examples include residential and non-residential property, household contents and vehicles.

Not in the labour force

Persons not in the categories employed or unemployed as defined.

Occupation

Coded for all employed persons aged 15 years and over, using the [Australian and New Zealand Standard Classification of Occupation (ANZSCO) (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1220.0)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1220.0) (cat. no. 1220.0).

One family household

A one family household is classified to one of the following categories:

- couple only - two persons in a registered or de facto marriage, who usually live in the same household;
- couple family with dependent children - a household consisting of a couple with at least one dependent child. The household may also include non-dependent children, other relatives and unrelated individuals;
- one parent family with dependent children - a household comprising a lone parent with at least one dependent child. The household may also include non-dependent children, other relatives and unrelated individuals; and
- other one family households - a household comprising:
  - one couple with their non-dependent children only;
  - one couple, with or without non-dependent children, plus other relatives;
  - one couple, with or without non-dependent children or other relatives, plus unrelated individuals;
  - a lone parent with his/her non-dependent children, with or without other relatives and unrelated individuals; and
  - two or more related individuals where the relationship is not a couple relationship or a parent-child relationship (e.g. two brothers).

One parent family with dependent children

See One family household.

One parent, one family household

A one family household comprising a lone parent with at least one dependent or non-dependent child. The household may also include other relatives and unrelated individuals.

Other dwelling

Includes caravans, houseboats, or houses or flats attached to a shop or other commercial premise.

Other income

Income other than wages and salaries, own unincorporated business income and government pensions and allowances. This includes income received as a result of ownership of financial assets (interest, dividends), and of non-financial assets (rent, royalties) and other current receipts from sources such as superannuation, child support, workers' compensation and scholarships. Income from rent is net of operating expenses and depreciation and may be negative when these are greater than gross receipts.

Other landlord type

Where the household pays rent to the owner/manager of a caravan park, an employer (including a government authority), a housing cooperative, a community or church group, or any other body not included elsewhere.

Other one family households

See One family households.

Other payments

Households that receive income from other government pensions and allowances. These include overseas pensions and benefits, partner allowance, sickness allowance, special benefit, war widow pension (DVA), widow allowance,

wife pensions, seniors supplement, and other government pensions and allowances.

Other private income

Private income other than employee income, government pensions and allowance and income from own business. It includes superannuation, workers' compensation, child support and any other allowances regularly received as well as interest and property rent.

Other tenure type

A household which is not an owner (with or without a mortgage), or a renter. Includes rent free.

Own account worker

A person who operates his or her own unincorporated business or engages independently in a profession or trade and hires no employees.

Own unincorporated business income

The profit/loss that accrues to persons as owners of, or partners in, unincorporated businesses. Profit/loss consists of the value of gross output of the business after the deduction of operating expenses (including depreciation). Losses occur when operating expenses are greater than gross receipts and are treated as negative income.

Owner (of dwelling)

A household in which at least one member owns the dwelling in which the household members usually reside. Owners are divided into two categories: owners without a mortgage and owners with a mortgage. If there is any outstanding mortgage or loan secured against the dwelling the household is an owner with a mortgage. If there is mortgage or loan secured against the dwelling the household is an owner without a mortgage.

Part-time employed

An employed person who usually works less than 35 hours per week.

Percentiles

When all households or persons in the population are ranked from the lowest to the highest on the basis of some characteristic such as their household income, they can then be divided into equal sized groups. Division into 100 groups gives percentiles. The highest value of the characteristic in the tenth percentile is denoted P10. The median or the top of the 50th percentile is denoted P50. P20, P80 and P90 denote the highest values in the 20th, 80th and 90th percentiles. Ratios of values at the top of selected percentiles, such as P90/P10, are often called percentile ratios.

Percentile ratios

Percentile ratios summarise the relative distance between two points in a distribution. To illustrate the full spread of the income distribution, the percentile ratio needs to refer to points near the extremes of the distribution, for example, the P90/P10 ratio. The P80/P20 ratio better illustrates the magnitude of the range within which the income or net worth of the majority of households falls. The P80/P50 and P50/P20 ratios focus on comparing the ends of the income distribution with the midpoint.

Perturbation

Adjustment of estimates to disguise individual values without affecting the statistical validity of aggregate data.

Preschool

Educational and developmental programs for children in the year (or in some jurisdictions, two years) before they begin full-time primary education.

Private dwelling

Houses, flats, home units, caravans, garages, tents and other structures that are used as places of residence. These are distinct from special dwellings which include hotels, boarding houses and institutions.

Private income

Current receipts from private organisations and other households, including wages and salaries, income from own business, superannuation, workers' compensation, income from annuities, interest, dividends, royalties, income from rental properties, scholarships and child support.

Private renter

A household paying rent to a landlord who is a real estate agent, a parent or other relative not in the same unit or another person not in the same unit.

Private trusts

Trusts other than public unit trusts. These include private unit trusts, fixed unit trusts, family trusts, charitable trusts and testamentary trusts.

Property

All residential and non-residential properties owned by persons in the household, excluding properties owned by the respondent's business.

Public renter

A household paying rent to a state or territory housing authority/trust.

Quintiles

Groupings that result from ranking all households or people in the population in ascending order according to some characteristic such as their household income or net worth and then dividing the population into five equal groups, each comprising 20% of the estimated population.

Ratio at top of selected percentiles

See Percentiles.

Reference person

See Household reference person and Income unit reference person.

Relative standard error (RSE)

The standard error expressed as a percentage of the estimate for which it was calculated. It is a measure which is independent of both the size of the sample, and the unit of measurement and as a result, can be used to compare the reliability of different estimates. The smaller an estimate's RSE, the more likely it is that the estimate is a good proxy for that which would have been obtained if the whole population had been surveyed. For more information see the Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6503.0) (cat. no. 6503.0).

Repairs and maintenance

Repairs and maintenance refers to any work undertaken with the purpose of either preventing deterioration or repairing some aspect of the dwelling back to its original condition.

Renter

A household that pays rent to reside in the dwelling. See 'Landlord type' for further classification.

Rest of state

Under the Australian Statistical Geography Standard (ASGS), Rest of State is any area not defined as being part of the Greater Capital City Statistical Areas (GCCSAs). In the case of Australian Capital Territory and Northern Territory however, there is no Rest of State balance.

Salary packaging

An arrangement for the employer to remunerate the employee with a combination of cash wages and salaries and one or more non-cash benefits, to the value of the employee's total remuneration.

Salary sacrifice

An arrangement under which an employee agrees contractually to forgo part of the remuneration, which the employee would otherwise receive as wages and salaries, in return for the employer or someone associated with the employer providing benefits of a similar value.

Selected dwelling

The private dwelling selected in the sample for the survey.

Selected superannuation contributions for employees

Selected superannuation contributions comprise:

- the compulsory employer contributions required under the Superannuation Guarantee. These values have been imputed as the minimum amount that employers must contribute to employees' superannuation accounts (9.25% in 2013-14). Where possible, employee income that is not covered by this legislation (such as overtime) has been excluded;
- income salary sacrificed by employees into a superannuation account; and
- superannuation contributions from employers above the minimum compulsory payments.

After tax contributions by employees are not included.

Significant person

Significant persons are defined as follows:

- all members of lone person or couple only households;
- all parents in a couple with children household or a single parent household;
- the person aged 15 years or over in a group household where one person is aged 15 years or over and the other members of the household are less than 15 years old; and
- 50% of the persons aged 15 years and over in all other households.

Standard error (SE)

A measure of the likely difference between estimates obtained in a sample survey and estimates which would have been obtained if the whole population had been surveyed. The magnitude of the standard error associated with any survey is a function of sample design, sample size and population variability. For more information see the [Survey of Income and Housing, User Guide, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6553.0)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6553.0) (cat. no. 6553.0).

Statistical Area Level 1 (SA1)

Statistical Areas Level 1 (SA1s) have been designed as the smallest unit for the release of Census data. SA1s generally have a population of 200 to 800 persons, and an average population of about 400 persons. They are built from whole Mesh Blocks and there are approximately 55,000 SA1s covering the whole of Australia.

Statistical Area Level 4 (SA4)

Statistical Areas Level 4 (SA4s) are part of the ASGS and are used for the output of a variety of regional data, including the 2011 Census Data. There are 106 SA4s covering the whole of Australia without gaps or overlaps. They are built up from SA1s. In regional areas, SA4s tend to have populations of between 100,000 to 300,000 people. In metropolitan areas, SA4s tend to have larger populations (300,000 – 500,000 people).

Superannuation

A long-term savings arrangement which operates primarily to provide income for retirement.

Superannuation/annuity income

Income from superannuation, annuities and private pensions such as allocated pensions.

Superannuation coverage

Persons aged 15 years and over were considered to have superannuation coverage if they:

- had a superannuation balance above zero;
- were receiving regular income from superannuation; or
- had received a lump sum superannuation payment in the last two years.

Taxes on income

Taxes on income is the sum of personal income tax plus the Medicare levy and Medicare levy surcharge for all members of the household. Taxes on income were imputed according to the 2015-16 tax rules which were applied the gross income of family members according to their characteristics as reported in the 2015–16 Survey of Income and Housing.

Tenure type

The nature of a household's legal right to occupy the dwelling in which the household members usually reside. Tenure is determined according to whether the household owns the dwelling outright, owns the dwelling but has a mortgage or loan secured against it, is paying rent to live in the dwelling, or has some other arrangement to occupy the dwelling.

Topcoding

Reduction of all high values to a specified maximum value.

Trusts

Any type of managed fund which involves the pooling of investors' money in order for a trustee or professional manager to administer that fund. Examples include listed and unlisted public unit trusts, cash management trusts, property trusts and family trusts used only for investment purposes.

Unemployed

Persons aged 15 years and over who were not employed during the week before the interview and had actively looked for full-time or part-time work at any time in the four weeks before the interview and:

- were available for work in the week before the interview; and

- were waiting to start a new job within four weeks from the interview and would have started in the week before the interview if the job had been available then.

Unemployment and study payments

Households that receive income from Austudy/ABSTUDY, Newstart allowance or Youth allowance.

Unincorporated business

A business in which the owner(s) and the business are the same legal entity, so that, for example, the owner(s) are personally liable for any business debts that are incurred. The business may be registered (in their own state) as a sole trader, partnership or firm; however they are not registered with the Australian Securities and Investments Commission and are not legally a company.

Vehicles

Vehicles include registered and unregistered vehicles used for private purposes including cars, trucks, buses, motorcycles, caravans, aircraft, boats and bicycles.

Wages and salaries

See Employee income.

Wealth

See Net worth.

Worker's compensation payment

Monies paid by insurance companies and sometimes by employers as compensation for loss of earnings while unable to attend work due to an illness or injury. It can also be paid as compensation for an injury itself that was caused by an accident or injury at work.

Year of arrival in Australia

The year a person (born outside Australia) first arrived in Australia from another country, with the intention of staying in Australia for one year or more.

Quality declaration

Institutional environment

For information on the institutional environment of the Australian Bureau of Statistics (ABS), including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see ABS Institutional Environment (https://www.abs.gov.au/websitedbs/d3310114.nsf/4a256353001af3ed4b2562bb00121564/10ca14cb967e5b83ca2573ae00197b65!OpenDocument) .

Relevance

The Household Expenditure Survey (HES) collects detailed information on household expenditure from residents in private dwellings throughout Australia. The HES is collected jointly with the Survey of Income and Housing (SIH) every six years - that is, all households selected for HES also complete the SIH - which collects information about household income, wealth, housing and other characteristics.

The survey collects information by personal interview and self-completed expenditure diaries from usual residents of private dwellings in urban and rural areas of not Very Remote Australia, covering over 97% of the people living in private dwellings in Australia.

The survey facilitates the analysis and monitoring of the social and economic welfare of Australians in private dwellings. The main users are government and other social and economic analysts involved in the development, implementation and evaluation of social and economic policies.

HES and the jointly collected SIH data are used by economic and social analysts and policy makers to:

- understand the distribution of economic resources among private households in Australia;
- identify the changes occurring in Australians' spending habits;
- identify households most at risk of experiencing economic hardship;
- understand the effects of taxation and welfare payments on the cost of living for people and families; and

The ABS also uses the HES data in the production of the Consumer Price Index and National Accounts.

Timeliness

The HES is conducted every six years. The 2015-16 HES collected information over the period July 2015 to June 2016.

The first results from the 2015-16 survey were released on 13th September 2017, just over one year from the end of data collection. Subsequent outputs, including feature articles, other publications and Confidentialised Unit Record Files (CURF) will be released later in 2017 and early 2018.

Accuracy

Final sample

In 2015-16, the HES sample size increased from 9,774 households in 2009-10 to 10,046 households in 2015-16. The HES 2015–16 was run in conjunction with the SIH. The expansion of the 2009–10 sample to include an additional selection of metropolitan households whose main source of income was a government pension, benefit and/or allowance was continued, but with a reduction in sample design enabled through improved screening methods (see Explanatory Notes or the User Guide for more information).

Due to field performance not meeting design expectations, the sample in the first half of the financial year was smaller than expected. An additional sample was implemented in the second half of the 2015-16 financial year to bring the total sample in line with the design. Consequently, the survey sample is concentrated in the second half of the year. Weighting benchmarks for each quarter re-balance the sample.

See the User Guide and Explanatory Notes for more information about sampling and weighting.

To address partial non-response, data were imputed for missing fields. The final HES sample includes 3,487 households (35% of households) and 4,762 person records (25% of persons aged 15 years or over) which had at least one imputed value. Imputation flags are provided at the module level in the CURF to allow users to identify and remove records with imputed data. Full record imputation is also used in the HES to impute data for some partially responding persons to minimise sample loss. Full record imputation is only undertaken for households where the main income earners in the household (e.g. both parents in a 'couple with children' household) have adequately completed the HES but others in the household (for example, children of those parents aged 15 years or over) have

not. In 2015-16, 170 person level records were fully imputed, representing less than 1% of person records. Of these, expenditure diary information was fully imputed for 57 persons (less than 1% of the sample).

Reliability of the estimates

Estimates produced from the HES are subject to two types of error: non-sampling error; and sampling error.

Non-sampling error

Non-sampling error can occur in any collection, whether the estimates are derived from a sample or from a complete collection such as a census. Sources of non-sampling error include non-response, errors in reporting by respondents or recording of answers by interviewers and errors in coding and processing the data.

Sampling error

The estimates are based on a sample of possible observations and are subject to sampling variability. The estimates may therefore differ from the figures that would have been produced if information had been collected for all households. A measure of the sampling error for a given estimate is provided by the standard error, which may be expressed as a percentage of the estimate (relative standard error).

The sample was designed to facilitate analysis at the part of state level with a high level of accuracy for the indicators from the HES, including average weekly household expenditure and financial stress. Due to the collection issues noted above, a higher level of sampling error may be noted in analysis by quarter of collection.

Coherence

Each cycle of the HES collects comparable information to allow for analysis of changes over time. Various statistics can be utilised to make comparisons between 2015-16 HES data and data from previous HES cycles. These include proportions (e.g. proportional share of expenditure), means and medians.

The ABS seeks to maximise consistency and comparability over time by minimising changes to the survey. Sound survey practice, however, requires ongoing development and maintenance to maintain the integrity of the data and the efficiency of the collection. For instance, when new products or services become available, these are added to the Household Expenditure Classification. Current income, wealth and expenditure standards are available on the ABS website and more information is available in the Explanatory Notes of this publication and the User Guide publication.

The HES provides baseline expenditure information which provides a comparison point for other ABS and external surveys. A comparison between the HES and the Australian System of National Accounts (ASNA) is provided in the Data downloads section on the User Guide (due for release in late 2017).

Interpretability

Expenditure statistics are generally straightforward to interpret. It should be noted, however, that changes in the dollar value of expenditure over time can be influenced by many factors, including inflation, substitution of cheaper products and services and demographic changes (e.g. aging population, smaller households).

Detailed information on the terminology, classifications and other technical aspects associated with the HES can be found in the Explanatory Notes and Glossary included with this publication. The User Guide (cat. no. 6503.0) will be released in October 2017.

Accessibility

Tabulated data and associated relative standard errors are freely available in Excel spreadsheets which can be accessed from the Data downloads section.

A CURF product will be produced from the SIH, subject to the approval of the Australian Statistician. For further details, refer to the Microdata Entry Page (https://www.abs.gov.au/websitedbs/d3310114.nsf/home/microdata+entry+page) on the ABS website. It is expected that the CURF products will be available in late 2017. A Survey TableBuilder product is also planned to be available in late 2017.

Customised data are also available on request. Note that detailed data can be subject to high relative standard errors which in some cases may result in data being regarded as unfit for release. A data item list is available from the Data downloads section of the User Guide (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6503.0) (cat. no. 6503.0).

For further information about these or related statistics, contact the National Information and Referral Service on 1300 135 070, or email client.services@abs.gov.au. The ABS Privacy Policy (https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/Privacy?opendocument) outlines how the ABS will handle any personal information that you provide to us.

Feedback